

FISCAL NOTE

SB 3871 - HB 3961

February 29, 2008

SUMMARY OF BILL: Requires all state and local government programs that provide certain benefits not mandated by federal law to verify immigration status prior to awarding such benefits. Requires law enforcement officials to check the citizenship status of any individual charged with a felony or DUI and if verification of lawful status cannot be obtained, to forward that information to the United States Department of Homeland Security.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – Not Significant

Increase State Expenditures - \$813,300/One-Time

\$8,203,500/Recurring

Increase Local Revenue – Not Significant

Increase Local Expenditures* – Exceeds \$100,000/Recurring

Other Fiscal Impact - Any decrease in state expenditures as a result of prohibiting the delivery of certain public benefits to illegal immigrants is unquantifiable because it is unknown how many illegal immigrants currently receive such benefits. The process to determine immigrant status will lengthen the application process for many programs within state and local government. This may generate some offsetting costs. Such costs are unquantifiable.

Assumptions:

- The federal status verification system (SAVE) will charge a \$25 fee per month for system access. Each query of the system will then be subject to a fee of approximately \$0.25.
- There will be an increase in recurring expenditures exceeding \$85,500 for at least three computer links within each county of the 95 counties to access the SAVE program. The monthly fee for access is \$25 ($25 \times 95 \times 12 \times 3 = \$85,500$).
- There will be an increase in recurring state expenditures exceeding \$15,000 for at least 50 computer links to access the SAVE program. The monthly fee for access is \$25 ($25 \times 50 \times 12 = \$15,000$).
- In 2006 there were approximately 26,000 arrests for DUI statewide.
- It is assumed that 75 percent ($26,000 \times .75 = 19,500$) of the DUI arrests were made by local law enforcement officers. At a cost of approximately

\$0.25 per DUI immigration status inquiry the estimated cost to local governments is approximately \$4,875 ($19,500 \times \$0.25 = \$4,875$) to make immigration status inquiries on such arrests.

- It is assumed that 25 percent of ($26,000 \times .25 = 6500$) of the DUI arrests were made by state law enforcement officers. At a cost of approximately \$0.25 per DUI immigration status inquiry the estimated cost to the state is approximately \$1,625 ($6,500 \times \$0.25 = \$1,625$) to make immigration status inquiries on such arrests.
- In 2006 there were approximately 310,426 non-DUI arrests statewide for felony and misdemeanor violations. Further breakdown of felony and misdemeanor violations was not available. Therefore, it is assumed that 150,000 of such violations were for felony offenses. Further, it is assumed that 75 percent ($150,000 \times .75 = 112,500$) of such arrests were made by local law enforcement officers and 25 percent ($150,000 \times .25 = 37,500$) arrests were made by state law enforcement officers.
- At a cost of approximately \$0.25 per felony immigration status inquiry the estimated cost to local governments is approximately \$28,125 ($112,500 \times \$0.25 = \$28,125$).
- At a cost of approximately \$0.25 per felony immigration status inquiry the estimated cost to the state is approximately \$9,375.
- The total cost to local governments to conduct immigration inquiries for every DUI and felony arrest is estimated to be \$33,000 ($\$4,875 + \$28,125 = \$33,000$).
- The total cost to the state to conduct immigration inquiries for every DUI and felony arrest is estimated to be \$11,000 ($\$1,625 + \$9,375 = \$11,000$).
- Services provided by the Department of Children's Services are either governed by federal law or are exempt according to the provisions of the bill. As a result there will be no impact to the department.
- No fiscal impact to TennCare because they must conform to federal eligibility requirements under current law.
- Benefits under the Cover Tennessee program are not federally mandated and as a result will be subject to the provisions of the bill.
- The Cover Tennessee program will require two additional positions at a recurring cost of \$156,600 to comply with the verification provisions of the bill.
- DHS contracts with local governments, agencies and non-profit organizations to operate several programs. It is estimated that the verification requirements will increase the administrative duties of the agencies. With a one percent increase in administrative costs, DHS will incur an increase in state expenditures of \$457,700.
- In 2006, there were approximately 1,965,160 encounters in county health departments.
- The Department of Health estimates that each of the 89 rural county health departments will need two Public Health Office Assistants for verification and determination of qualified individuals. Nine Public

Health Rep 2 positions will be needed for the early detection and treatment of increased communicable diseases. Such is estimated to increase recurring state expenditures by \$6,340,600 for salary and benefits (\$5,134,200), travel (\$27,000), printing and duplication (\$20,000), supplies (\$130,900), rentals and insurance (\$766,700) and communication and technology services (\$261,800). There will be a one-time increase in expenditures of \$729,300 for office set-up and supplies.

- The Department of Health also contracts for services with six metro health offices. There will be 16 additional positions to provide verification and determination of qualified individuals which is estimated to increase recurring expenditures by \$432,300.
- Mental Health and Developmental Disabilities will require fifteen new positions to accommodate the increased workload required by immigration status verification. The recurring cost for these positions is estimated to be \$790,300 for the salary (\$493,500), benefits (\$167,800), travel (\$45,000), printing (\$4,500), office space (\$40,500), phones (\$9,000), office supplies (\$4,500), network connections (\$18,000) and annual contributions to the equipment replacement fund (\$7,500). The one-time costs for office landscaping (\$54,000) and PC's (\$30,000) are estimated to total \$84,000.
- Many benefit programs administered at the local level are subject to federal immigration status requirements. Many of the ones that are not subject to federal requirements are administered in conjunction with the state therefore much of the cost of this legislation will be borne by the state.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/cce